

Federal Inquiry in Bank Case

Newark News 7/27/29
**Arrowsmith Queries
Burnett as to N. J.
Bankers**

Renewed interest was manifested today by federal authorities in the New Jersey Bankers Securities situation.

Assistant United States District Attorney Thomas V. Arrowsmith made inquiry of D. Frederick Burnett, counsel for the Davis legislative committee, if testimony taken before that body warranted his taking action to prosecute for violating Section 215 of the Federal Criminal Code providing penalties for use of the mails to defraud. He asked, as an alternative, if it was advisable that he have post-office inspectors make a special investigation.

Mr. Burnett gave Mr. Arrowsmith information as to testimony before the committee. He declined to say whether he told Mr. Arrowsmith federal prosecution was in order.

Some months ago it was understood that federal authorities were watching the testimony before the Davis committee.

Overnight developments in Passaic in the Hobart Trust-New Jersey Bankers tangle were:

The Clifton Civic Progressive Association held a meeting last night for the purpose of appealing for the removal from office of Prosecutor J. Vincent Barnitt. No action was taken at the request of Acting Prosecutor Dunn, who asked delay until August 15 when Mr. Barnitt was scheduled to return from Europe.

A rumor is that Prosecutor Barnitt has engaged passage on the Leviathan, to arrive in New York August 11.

Five hundred depositors of the Hobart Service Trust Company met at Kantor's Auditorium, Passaic, and organized. They will ask Vice Chancellor Backes to discontinue the receivership of the New Jersey Bankers Security Company and approve the sale of the Hobart to a group of Passaic citizens who are willing to buy it.

Mrs. Francis Dorowski of 92 Tenth street, Passaic, ended her life by inhaling gas. She had \$9,000 deposited in the Hobart Trust and her husband said fear she had lost her savings caused her to end her life.

The grand jury probing the New Jersey Bankers and Hobart cases recessed until Monday afternoon.

The Clifton organization wanted to move against Barnitt for failure to present the New Jersey Bankers case to the Passaic Grand Jury last year. The Davis legislative investigating committee developed alleged criminal actions in connection with the securities company organization and activity last summer. The testimony of the

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committee was turned over to Barnitt. He made no move toward having a grand jury indict, and this summer he left for Europe.

Dunn's Plan Approved.

Criticism in The Newark Evening News two weeks ago of the laxity of Passaic County officials in failing to press the charges brought support from Senator Wolber of Essex and D. Frederick Burnett, member and counsel of the Davis committee. They pointed out that unless the Passaic authorities acted before August 18, many of the charges would be outlawed by the statute of limitations. Acting Prosecutor Dunn conferred with Mr. Burnett, who agreed to assist him in preparing the material for the Passaic Grand Jury. Supreme Court Justice Black approved Dunn's plan to call the jury into special session yesterday.

At Kantor's Auditorium many of the speakers denounced the investigation as a "political smoke screen." A committee of twelve men was appointed to go before Vice Chancellor Backes at Newark Tuesday and petition him to remove John J. Stamler and Nicholas LaVecchia, receivers of the New Jersey Bankers Securities Company. This committee is composed of Jacob I. Jaffee, lawyer; Floyd Moreland, J. Bernard Falzman, Dr. Joseph F. Rubacky, Michael Martucci, Isadore Grossman, Barnett Berr, Michael Kobylarz, Max Goldstein, Joseph Mankonski, Casper Krones and Dr. Benjamin B. Gluck.

The meeting, arranged by the East Side Merchants' Association, arranged to have clerks at Passaic police court rooms Saturday, Sunday and Monday for the purpose of having signatures of depositors of Hobart Trust and its branches attached to the petitions, which are to be presented to Vice Chancellor Backes.

Jails Two as Counterfeiters

Judge Fake Expresses Belief Pair Are Members of a Gang

Newark News 7/30/29
Two men believed by federal operatives to be responsible for the appearance of counterfeit bills in North Jersey recently were sentenced today to eighteen years each at Atlanta by Federal Judge Fake.

Judge Fake told the pair that it was reasonable to presume that they were members of a gang, judging from their records, and that to him they appeared distinct criminal types. The sentence comprised three years in the penitentiary on six consecutive counts in indictments to which both pleaded guilty this morning.

The men were John Wall, alias John Feist, forty-three years old, whose only recorded address was 112th street and Seventh avenue, New York, and Herman Semelmacher, twenty-eight, of 3031 West Second street, Coney Island.

Wall's record indicated repeated arrests for using the mails to defraud. Semelmacher had been arrested thirteen times in New York for burglary and carrying concealed weapons, the record showed.

Both were arrested May 25 in Jersey City on the complaint of a merchant, Albert Neueschell of 311 Grove street. The day before Neueschell and other business men had been warned that spurious bills were in circulation. Semelmacher was caught tendering a \$10 bill which had been raised to \$50, operatives said. Wall was arrested in a car nearby with five similar bills.

The warning was given by James J. Garvey, in charge of the Newark office of the United States Secret Service. In Newark last week Garvey announced that \$5, \$10 and \$20 counterfeit bills had been circulated very extensively.

In the Jersey City warning Garvey gave a description of both because of tips he received. Neueschell's quickness in recognizing the raised bill and calling a policeman prevented escape.

Five-Year Term For Physician

Newark News 7/30/29
**Court Calls Dr. Husbands
"Menace" in Imposing
Narcotics Sentence**

Dr. Samuel Campbell Husbands, sixty-one years old, a colored physician of 133 Bank street, was sent to the Federal penitentiary in Atlanta for five years by Judge Fake yesterday. Husbands was found guilty by a jury in Federal Court July 3 on a charge of unlawfully selling narcotics. The jury recommended mercy.

In sentencing Husbands to serve five years on each of seven counts of an indictment, the sentences to run concurrently, Judge Fake termed the prisoner "a menace to society" and declared he felt his offense was all the greater because he was an educated man.

Husbands, a native of the Barbados, practiced medicine for many years in Bank street. He was arrested July 25, 1928, when two young women purchased narcotics in his office. Entering immediately afterward, narcotic inspectors found a marked \$10 bill on the doctor which the two women had given him.

He served three months in the county penitentiary in 1915 for illegally prescribing drugs.